

HOUSE BILL REPORT

EHB 2242

As Amended by the Senate

Title: An act relating to creating a department of commerce.

Brief Description: Creating a department of commerce.

Sponsors: Representatives Kenney, Probst, Maxwell, Hunt, Liias, Ormsby, Kelley, Sullivan, Hasegawa, Quall, White and Chase; by request of Governor Gregoire.

Brief History:

Committee Activity:

Community & Economic Development & Trade: 2/18/09, 2/19/09 [DP].

Floor Activity

Passed House: 3/12/09, 96-1.

Senate Amended.

Passed Senate: 4/22/09, 47-0.

Brief Summary of Engrossed Bill

- Creates a Department of Commerce (Department).
- Set a November 1, 2009 deadline for the Director of the Department (Director) to make recommendations to the Governor and legislative committees on the Department's mission, goals, structure, responsibilities, and program alignment.
- Requires the Director to recommend options, including possible need for a separate agency, to house programs that deliver essential services to communities and individuals.
- Requires collaboration between the Director, executive and legislative branch officials, and key stakeholders.
- Changes a number of statutory references from the "Department of Community, Trade and Economic Development" to the "Department of Commerce."

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass. Signed by 6 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Chase, Liias, Probst and Sullivan.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 3 members: Representatives Smith, Ranking Minority Member; Orcutt and Parker.

Staff: Meg Van Schoorl (786-7105)

Background:

The Department of Community, Trade and Economic Development (DCTED) is an executive branch agency that was created in 1994 through the consolidation of the Department of Community Development and the Department of Trade and Economic Development. The DCTED is responsible for promoting community and economic development statewide by (1) assisting communities to increase their economic vitality and the quality of their citizen's lives, and (2) assisting the state's businesses to maintain and increase their economic competitiveness while maintaining a healthy environment.

Summary of Engrossed Bill:

A Department of Commerce (Department) is created. By November 1, 2009, its director is required to develop recommendations for the Governor and appropriate legislative committees on the Department mission, goals, organizational structure, responsibilities, program alignment, service delivery mechanisms and related issues. The recommendations must emphasize promotion of innovation, economic and business development, sustainability of existing business, international trade, and factors that improve the competitiveness climate. The Director of the Department (Director) must recommend options for relocating critical existing programs that serve communities and individuals, including the possible need for a new separate agency. In collaboration with the Office of the Governor, the Office of Financial Management, and leaders of relevant legislative committees, the Director must identify and seek input from a broad range of stakeholders.

A number of statutory references to the "Department of Community, Trade and Economic Development" are changed to the "Department of Commerce."

The Code Reviser is directed to prepare legislation for the 2010 session that changes all statutory references from the "Department of Community, Trade and Economic Development" to the "Department of Commerce."

Various technical changes are made.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment: adds the Economic Development Commission and six legislators to a list of those with whom the director must collaborate on recommendations related to the new Department of Commerce; requires that the recommendations include statutory changes that ensure outcomes such as a concise core mission, transparency, accountability, focus flexibility, leverage, and local capacity building; requires that the recommendations include terminating or transferring specific programs inconsistent with the core mission, but does not reference a possible need for a separate new department for critical programs such as community services, capital programs and housing.

Appropriation: None.

Fiscal Note: Requested on February 16, 2009.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2009.

Staff Summary of Public Testimony:

(In support) Over the years, the DCTED has become an agency charged with many diverse missions. As a result, its programs and services are a mile wide and an inch deep. The DCTED has everything from infrastructure financing to international trade to community services to housing to criminal justice to energy and more. Despite best intentions and efforts, the Department's stakeholders say that the agency is not working. This bill is just the first step. There is obviously much hard work to be done to create a department that delivers targeted financial and technical assistance services in economic development and trade, and can be held accountable for concrete outcomes. Given the economic issues of today, economic development is a high priority, and with the search for new agency leadership underway, now is a good time to make this change.

(Opposed) None.

Persons Testifying: Representative Kenney, prime sponsor; Marc Baldwin, Office of the Governor; and Bryce Yadon, Washington Economic Development Association.

Persons Signed In To Testify But Not Testifying: None.